

Message Text

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ACTION EUR-12

INFO OCT-01 NEA-10 IO-13 ISO-00 CIAE-00 DODE-00 PM-05
H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01
SP-02 SS-15 USIA-06 OMB-01 TRSE-00 AID-05 EB-08
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LAB-04 SIL-01 AGRE-00 FEAE-00 /115 W
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FM AMEMBASSY BRUSSELS
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USEEC

E.O.11652: N/A
TAGS: EEC, XF, PFOR
SUBJECT: EURO-ARAB DIALOGUE: CONCLUSION OF GENERAL
COMMITTEE MEETING, OCTOBER 26-28

REF: (A) BRUSSELS 13376, (B) BRUSSELS 15078
(C) BRUSSELS 14398, (D) BRUSSELS 14867

1. SUMMARY: GENERAL COMMITTEE MEETING OF EURO-ARAB
DIALOGUE COMPLETED ITS THIRD SESSION LATE SATURDAY
MORNING, OCTOBER 29, AFTER ALL NIGHT DRAFTING SESSION
ON FINAL COMMUNIQUE. WHILE ARAB POLITICAL DEMANDS
(LARGELY DEFLECTED BY EC DELEGATION) WERE SPOTLIGHTED
BY PRESS, EC COMMISSION OFFICIAL (ANDRESEN, DG-VIII)
TELLS US THAT ECONOMIC ISSUES POSED EQUALLY DIFFICULT
HURDLE AND WERE RESPONSIBLE IN LARGE MEASURE FOR
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FAILURE TO ADJOURN PREVIOUS DAY AS SCHEDULED. FINAL
COMMUNIQUE (BEING POUCHED TO EUR/RPE, SALISBURY AND
NEA/RA, PALMER) CONTAINS EQUAL MIXTURE OF POLITICAL
AND TECHNICAL/ECONOMIC CONCLUSIONS WHICH VARY ONLY
SLIGHTLY FROM MISSION PROGNOSIS IN ADVANCE OCTOBER 26-29
MEETING (REFTELS). END SUMMARY.

2. ON POLITICAL SIDE, EC DELEGATION REFUSED TO ACCEPT ARAB PLEA (IN CONTEXT SAUDI AMBASSADOR'S STATEMENT REPORTED REF. B) FOR RECOGNITION OF PLO. FINAL COMMUNIQUE THEREFORE SIMPLY CONTAINS FURTHER UNILATERAL DECLARATION BY ARAB SIDE THAT "TIME HAS COME" FOR THE NINE TO RECOGNIZE PLO AS LEGITIMATE REPRESENTATIVE OF PEOPLE OF PALESTINE. WE ARE TOLD THAT, DUE IN PART TO INFLUENCE OF MODERATE ELEMENTS IN ARAB DELEGATION, EC WAS ABLE TO DEFLECT FURTHER ARAB PRESSURE ON PLO RECOGNITION BY AGREEING TO INCLUSION IN COMMUNIQUE OF VERBATIM TEXTS OF EUROPEAN COUNCIL'S DECLARATION ON MIDEAST OF JUNE 29 AND OPERATIVE PARAGRAPHS OF OCTOBER 27 UN RESOLUTION UNDER AGENDA ITEM 126. OTHERWISE, COMMUNIQUE REFERS TO CONVICTION OF TWO SIDES "THAT EFFORTS SHOULD BE INTENSIFIED TO ACHIEVE A JUST AND LASTING PEACE IN THE MIDDLE EAST", WITH THE ARAB DELEGATION NOTING THAT THE EC-9 SHOULD PLAY A MAJOR ROLE IN THIS CONTEXT, PREFERABLY THROUGH PARTICIPATION IN ANY FUTURE UN GUARANTEES.

3. ONE ADDITIONAL "CONCESSION" DEMANDED BY ARABS WAS THAT THE NINE AGREE TO A MINISTERIAL LEVEL MEETING OF THE DIALOGUE IN THE NEAR FUTURE. COMMUNITY, WHICH APPARENTLY CONTINUES TO OPPOSE THIS IDEA AT PRESENT, PARTLY BECAUSE AGREEING TO MINISTERIAL WOULD FURTHER RAISE QUESTION OF PLO RECOGNITION, SUCCEEDED IN LIMITED OFFICIAL USE

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RELEGATING THIS TO A "BEST EFFORTS" PROPOSITION IN COMMUNIQUE. IT WAS AGREED ONLY THAT A MINISTERIAL MEETING SHOULD BE HELD AT AN "APPROPRIATE DATE" AND THAT BOTH SIDES SHALL "CONSIDER THE STEPS" NECESSARY TO PREPARE SUCH A MEETING. (COMMENT: SIMILAR LANGUAGE WAS INCLUDED IN COMMUNIQUE CONCLUDING GENERAL COMMITTEE'S LUXEMBOURG SESSION IN MAY, 1976. END COMMENT.) ANOTHER FACET OF INTEREST TO THE POLITICAL SIDE OF THE GENERAL COMMITTEE MEETING, WHICH EC OFFICIALS HAVE RECOUNTED TO US WITH SOME RELISH, IS THAT ARAB SIDE, IN PUSHING FOR NEW EC DECLARATION ON MIDEAST AND OTHER MATTERS, INADVERTENTLY OVERLOOKED THE QUESTION OF ESTABLISHING A FORMAL POLITICAL WORKING GROUP AS DEMANDED IN TUNIS LAST FEBRUARY. EC REPS ARE AMUSED SINCE THIS WAS ONE POINT ON WHICH THEY WERE PREPARED TO GIVE A MODEST AMOUNT OF GROUND (REF C).

4. IN GENERAL, WE ARE TOLD THAT ATMOSPHERE IN DRAFTING GROUP ON POLITICAL MATTERS WAS CORDIAL AND COOPERATIVE. CONTRARY TO EXPECTATIONS, PLO REP DAJANI REPORTEDLY A RELATIVELY MODERATE MEMBER OF ARAB DELEGATION, DID NOT, ACCORDING TO ANDRESEN, ATTEMPT TO PRESS COMMUNITY

OVERLY HARD ON PLO RECOGNITION ISSUE DESPITE HIS SOME-
WHAT INFLAMMATORY PRESS CONFERENCE ON EVE OF GENERAL
COMMITTEE MEETING DEMANDING EC RECOGNITION OF PLO
(REF D). (HOWEVER, DAJANI REPORTEDLY TOLD PRESS
FOLLOWING ISSUANCE OF GENERAL COMMITTEE'S COMMUNIQUE
THAT THE EUROPEANS "WILL BE FORCED TO UNDERSTAND THE
IMPORTANCE OF RECOGNIZING THE PLO", AND THAT "IF THE
EUROPEANS DO NOT SHOW UNDERSTANDING, OUR RELATIONS
WILL BE AFFECTED IN ALL FIELDS.") IRAQI AND LIBYAN
DELS ARE SAID TO HAVE TAKEN A CONFRONTATIONAL STANCE
IN THE DRAFTING GROUP.

5. ANDRESEN TELLS US THAT BY CONTRAST, IN DEALING WITH
ECONOMIC SUBJECTS, ATMOSPHERE WAS FREQUENTLY CONTEN-
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TIOUS. ON TWO ISSUES (LABOR AFFAIRS AND COMMERCIAL

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COOPERATION) DISCUSSIONS WERE ARDUOUS AND SOMETIMES
ACRIMONIOUS. GENERAL COMMITTEE REVIEWED WORK OF

VARIOUS WORKING COMMITTEES AND SPECIALIZED GROUPS SINCE ITS LAST MEETING IN FEBRUARY, WITH A VIEW TO TAKING NOTE OF PROGRESS ACHIEVED AND ESTABLISHING GUIDELINES FOR FURTHER WORK BY EXPERTS. BOTH SIDES AGREED, INTER ALIA, ON SET OF FINANCING PROCEDURES WHICH WILL PERMIT FUNDING OF A LIST OF SPECIFIC PROJECTS IN AGRICULTURE AND RURAL DEVELOPMENT AND BASIC INFRASTRUCTURE. THE GENERAL COMMITTEE ALSO TOOK NOTE OF THE \$18.5 MILLION CURRENTLY AVAILABLE TO FINANCE PROJECT FEASIBILITY STUDIES OF THIS NATURE, WITH ARAB SIDE FURTHER REQUESTING THAT THE EC CONTRIBUTE A MINIMUM OF ONE-THIRD OF THE TOTAL SUM INVOLVED PER PROJECT. (OVERALL THIS WOULD REQUIRE AN INCREASE OF THE INITIAL EC COMMITMENT OF \$3.5 MILLION BY ABOUT \$2.5 MILLION.) IN PRACTICE, HOWEVER, WITH REGARD TO THE SEVERAL FINANCING ACTIONS ENDORSED BY GENERAL COMMITTEE OCTOBER 26-28, EC SHARE LIMITED OFFICIAL USE

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WILL ONLY BE 20 PERCENT.

6. REGARDING TECHNOLOGY TRANSFER, GENERAL COMMITTEE DECIDED TO ESTABLISH A JOINT EURO-ARAB CENTER IN AN ARAB COUNTRY. THE ARAB DELEGATION VIEWS THIS ONLY AS AN INITIAL STEP TOWARD A COMPREHENSIVE AGREEMENT ON TECHNOLOGY TRANSFER WITH EC-9, WHILE COMMUNITY SEES NO NEED FOR A FORMAL AGREEMENT. ON INVESTMENT PROTECTION, THE FINDINGS OF THE GENERAL COMMITTEE WERE INCONCLUSIVE, BUT THERE WAS AN EXCHANGE OF TEXTS DRAFTED BY EACH SIDE WITH THE OBJECTIVE OF SIGNING A FORMAL CONVENTION "AS SOON AS POSSIBLE." IT WAS ALSO RECOMMENDED THAT THE WORKING GROUP ON FINANCIAL COOPERATION CONTINUE TO "CONSULT" ON PROTECTION OF ARAB ASSETS AGAINST MONETARY RISK. (COMMENT: WHILE WE HAVE NOT YET HAD AN OPPORTUNITY TO DISCUSS WITH COMMISSION THE PORTION OF THE COMMUNIQUE DEALING WITH INVESTMENT PROTECTION, MISSION HAS BEEN TOLD REPEATEDLY BY COMMISSION OFFICIALS IN THE PAST THAT EC IS UNWILLING TO AGREE TO ARAB DEMAND FOR PROTECTION AGAINST MONETARY RISKS. END COMMENT.)

7. FOCUS OF DISCUSSIONS ON COMMERCIAL COOPERATION WAS ON (A) TEXTILES AND (B) TRADE ARRANGEMENTS LINKING EUROPEAN AND ARAB REGIONS. CONCERNING TEXTILES, THE ARAB DELEGATION COMPLAINED THAT RESTRICTIVE MEASURES RECENTLY TAKEN BY EC CONTRADICTED SPIRIT OF DIALOGUE AND ALSO COOPERATION AGREEMENTS PREVIOUSLY SIGNED WITH CERTAIN ARAB COUNTRIES. IT INSISTED THAT EC IMPORT RESTRICTIONS BE LIFTED, BUT RECEIVED LITTLE SATISFACTION. THE COMMUNIQUE, REFLECTING ARAB ANNOYANCE WITH EC'S LACK OF RESPONSIVENESS STATES THAT ARAB SIDE DID NOT ACCEPT THE EC STATEMENT THAT IT WAS UNCONDITIONALLY IN

FAVOR OF "PROGRESSIVE LIBERALIZATION OF TRADE". IN
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SUBSEQUENT DISCUSSION OF ARAB PROPOSAL FOR
PREFERENTIAL TRADE AGREEMENT WITH EC, ATMOSPHERE WAS
FURTHER CLOUDED BY COMMUNITY'S UNWILLINGNESS TO GO
BEYOND "INSTITUTIONALIZED NON-PREFERENTIAL LINKS" IN
THE FRAMEWORK OF DIALOGUE. COMMUNITY OFFICIALS TELL
US THAT DRAFTING GROUP SPENT CONSIDERABLE TIME DIS-
CUSSING THIS ISSUE SINCE EC NOT ONLY CANNOT GIVE PRE-
FERENTIAL TREATMENT TO ADDITIONAL MEMBERS OF ARAB
DELEGATION (BEYOND MAGHREB AND MASHREK) BUT, BECAUSE
OF NEGOTIATIONS UNDERWAY WITH COMECON, WANTS TO AVOID
PRECEDENT OF SIGNING A REGION-TO-REGION TRADE "AGREE-
MENT". (MOREOVER, GIVEN PLO MEMBERSHIP IN ARAB
DELEGATION, AN "AGREEMENT" MIGHT IMPLY RECOGNITION.)

8. IMPROVEMENT OF WORKING CONDITIONS OF ARAB LABOR
IN COMMUNITY MEMBER STATES WAS ANOTHER THORNY ISSUE.
GIVEN LACK OF COMMON GROUND, AT THIS STAGE, THE
GENERAL COMMITTEE REMANDED MUCH OF THE WORK TO THE
APPROPRIATE SUB-COMMITTEE FOR FURTHER STUDY. COMMISSION
OFFICIALS STATE THAT THE ARABS EXPRESSED, SOMEWHAT
HEATEDLY, THEIR CONCERN AT RECENT RESTRICTIVE MEASURES
ADOPTED BY CERTAIN MEMBER STATES REGARDING FOREIGN
WORKERS; THEY REITERATED APPEAL FOR CONCLUSION BY
EC-9 OF AN OVERALL AGREEMENT GUARANTEEING IMMIGRANT
ARAB WORKERS AN IMPROVEMENT IN THEIR LIVING AND WORKING

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CONDITIONS. THE EC SIDE LIMITED ITSELF TO AGREEING TO
CONTINUE WORK ON DRAFT "DECLARATION OF PRINCIPLES" ON
THE LATTER ISSUES, REPORTEDLY CAUSING CONSIDERABLE
ACRIMONY IN FINAL STAGES OF THE MEETING.

9. COMMENT: ANDRESEN'S REMARKS TO US SUGGEST THAT
OVERALL RELATIVE "SUCCESS" OF THIRD SESSION OF GENERAL
COMMITTEE (I.E., A "SUCCESS" IN THAT DIALOGUE DID NOT
BREAK DOWN OVER POLITICAL ISSUES AND EVEN REGISTERED
SOME MODEST GAINS ON PRACTICAL ECONOMIC ISSUES) CAN
BE ATTRIBUTED TO MODERATION OF MOST MEMBERS OF ARAB
DELEGATION IN NOT TRYING IN CLOSED DRAFTING SESSION
TO PUSH EC-9 BEYOND ITS CAPACITY TO RESPOND, ESPECIALLY
IN AREA OF MIDEAST POLITICS. IN A FEW AREAS, SUCH AS
AGREEMENT ON PROJECT FINANCING PROCEDURES, STAGE WAS
SET FOR POSSIBLE FUTURE PROGRESS ON TECHNICAL/ECONOMIC
LEVEL. TO BEST OF OUR KNOWLEDGE, HOWEVER, INTERIM
APPRAISAL OF GENERAL DIRECTION AND FUTURE PROSPECTS
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OF DIALOGUE -- CALLED FOR IN OPENING STATEMENT BY
CO-CHAIRMAN OF EC DELEGATION KLAUS MEYER -- DID NOT
OCCUR. END COMMENT. HINTON

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Message Attributes

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Sent Date: 01-Nov-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
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